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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC WGR 1/181

14 January 1963

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events
28 December 1962 - 10 January 1963

The first shipment of MIG-21 jet fighters is expected to arrive in India on about 28 January. The shipment will consist of 6 of the 12 aircraft called for by an agreement reached last year and presumably will fulfill the commitment for deliveries in 1962-63. The Soviet authorities, however, are reported to be holding back on arrangements for the manufacture of MIG's in India until Sino-Indian relations have improved.

Late in December a shipment of Soviet arms, including armored personnel carriers, rifles, and small arms ammunition, arrived in Ghana. These weapons probably are to be used to equip a special Ghanaian brigade earmarked for the proposed "African High Command," although some of them may be transshipped to other African countries for use by nationalist movements in dependent African territories, particularly Angola.

On 7 November 1962, Syria signed a draft economic agreement with Poland that provides for an extension of \$15 million, repayable in semi-annual installments over 8 years, for the purchase of machinery and equipment. According to a senior official of the Syrian Ministry of Planning, no specific projects were selected during the negotiations; instead, international tenders are to be issued for various projects and the credit will be used to the extent that Polish bids are competitive.

On 5 January, Pakistan and Communist China signed a 1-year trade agreement, the first to be concluded between these two governments.

President Goulart of Brazil is reported to have stated in an interview that the USSR may soon present plans for the development of the Parana River. Some estimates have placed the total cost of the entire river development complex as high as \$1 billion. The magnitude of the possible Soviet contribution is not clear.

The recent receipt by Egypt of more than 50 surface-to-air missile transporters indicates that Egypt will attain an operational missile

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capability during 1963. Egypt also is expected to develop an air-to-air missile capability this year. MIG-21 jet fighters already have been delivered, and although none of these aircraft has been observed to be equipped with missiles, receipt of these weapons is anticipated. Conventional weapons also are continuing to arrive.

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C O N T E N T S

| | <u>Page</u> |
|----------------------------------------------------------------------------|-------------|
| I. Latin America | 1 |
| Possibility of Soviet Hydroelectric Projects in Brazil | 1 |
| II. Middle East | 2 |
| A. Status of Soviet Deliveries of Missiles to Egypt . . | 2 |
| B. Polish Loan to Syria | 2 |
| III. Africa | 3 |
| Delivery of Soviet Arms to Ghana | 3 |
| IV. Asia | 4 |
| A. MIG-21's for India | 4 |
| B. First Trade Agreement Between Communist China and Pakistan | 4 |
| V. Brief Notes | 5 |
| Jordan | 5 |
| Syria | 5 |

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Next 5 Page(s) In Document Exempt

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